

INDIAN VILLAGE WATER SYSTEM, INC.
Calhoun, Louisiana

Financial Statements
With Accountant's Compilation Report
As of and for the Year Ended
December 31, 2012

Under provisions of state law this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date APR 24 2013

INDIAN VILLAGE WATER SYSTEM, INC
Calhoun, Louisiana

Financial Statements
With Accountant's Compilation Report
As of and for the Year Ended
December 31, 2012

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M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALHOUN LOUISIANA 71225 • TELEPHONE 318/644-5726

Accountant's Compilation Report

BOARD OF DIRECTORS
INDIAN VILLAGE WATER SYSTEM, INC
Calhoun, Louisiana

I have compiled the accompanying statement of financial position of Indian Village Water System, Inc (the "System"), as of December 31, 2012, and the related statements of activities and cash flows for the year then ended. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management of the System is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Carleen Dumas

Calhoun, Louisiana
January 18, 2013

FINANCIAL STATEMENTS

Statement A

INDIAN VILLAGE WATER SYSTEM, INC
Calhoun, Louisiana

STATEMENT OF FINANCIAL POSITION
December 31, 2012

ASSETS

Current assets

Cash	\$83,818
Accounts receivable	<u>15,526</u>
Total current assets	99,344
Property, plant, and equipment (net of accumulated depreciation)	<u>784,613</u>

TOTAL ASSETS

\$883,957

LIABILITIES AND NET ASSETS

Current liabilities.

Accounts payable	\$3,629
Payroll taxes payable	123
Accrued interest payable	156
Current portion of loans payable	16,794
Refundable renters fees	4,400
Customer deposits	<u>7,035</u>
Total current liabilities	32,137
Long-term liabilities - loans payable	<u>153,407</u>
Total liabilities	185,544
Net assets - unrestricted	<u>698,413</u>

TOTAL LIABILITIES AND NET ASSETS

\$883,957

See accompanying notes and accountant's compilation report

INDIAN VILLAGE WATER SYSTEM, INC
Calhoun, Louisiana

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2012

Operating Revenues:	
Water sales	\$240,056
New meter fees	8,755
Connect fees	2,550
Renters fees	1,500
Road bore fees	1,800
Reconnect fees	1,600
Total operating revenues	<u>256,261</u>
Operating Expenses:	
Salaries and payroll taxes	77,529
Accounting	985
Advertising	84
Utilities	23,595
Insurance	11,388
Parts and supplies	36,055
Office expense and postage	9,321
Fuel	7,032
Excise tax	1,038
Repairs and maintenance	29,425
Dues and fees	4,228
Rent	4,800
Telephone	4,078
Depreciation	39,081
Other operating expenses	2,100
Total operating expenses	<u>250,739</u>
Operating Income	<u>5,522</u>
Non-Operating Revenue (Expenses):	
Interest income	108
Jackson Parish police jury grant	17,870
Interest expense	(7,811)
Total non-operating revenue (expenses)	<u>10,167</u>
Increase in Net Assets	15,689
Net Assets at Beginning of Year	<u>682,724</u>
Net Assets at End of Year	<u><u>\$698,413</u></u>

See accompanying notes and accountant's compilation report

INDIAN VILLAGE WATER SYSTEM, INC
Calhoun, Louisiana

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	<u>\$15,689</u>
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Depreciation expense	39,081
Decrease in accounts receivable	3,506
Decrease in accounts and taxes payable	(4,539)
Decrease in customer deposits	(400)
Decrease in refundable renters fees	(500)
Interest income	(108)
Interest expense	7,811
Total adjustments	<u>44,851</u>
Net cash provided by operating activities	<u>60,540</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Principal on long-term debt	(31,779)
Interest on long-term debt	(8,523)
Acquisition of capital assets	<u>(27,159)</u>
Net cash used by capital financing activities	<u>(67,461)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	<u>108</u>
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NET DECREASE IN CASH

(6,813)

CASH AT BEGINNING OF YEAR90,631**CASH AT END OF YEAR**\$83,818

Noncash item - The Jackson Parish Police Jury paid \$17,870 directly to a vendor on behalf of the water system for the purchase of supplies

See accompanying notes and accountant's compilation report

INDIAN VILLAGE WATER SYSTEM, INC
Calhoun, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Indian Village Water System, Inc. is a nonprofit organization domiciled in Calhoun, Louisiana, and organized under the provisions of Louisiana Revised Statutes 12 201-269. The water system is governed by a five member board of directors who are members of the water system and who are elected by members of the water system. The water system serves approximately 595 members.

A. FINANCIAL STATEMENT PRESENTATION

FASB Accounting Standards Codification (FASB ASC) 958, *Not-For-Profit Entities - Presentation of Financial Statements*, formerly known as Statement of Financial Accounting Standards (SFAS) No 117, *Financial Statements of Not-for-Profit Organizations* requires Indian Village Water System, Inc., to report information regarding its financial position and activities according to three classes of net assets, unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, Indian Village Water System, Inc., is required to present a statement of cash flows. Indian Village Water System, Inc., had only unrestricted net assets during the year ended December 31, 2012.

B. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The accompanying financial statements are prepared on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

C. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

See accountant's compilation report

INDIAN VILLAGE WATER SYSTEM, INC
 Calhoun, Louisiana
 Notes to the Financial Statements (Continued)

D. FIXED ASSETS

Major improvements to the water system and equipment costing \$1,000 or more that are expected to have a useful life of at least five years are capitalized by the water system. Fixed assets are recorded at actual cost. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation is computed using the straight-line method over estimated useful lives of 25 to 50 years for the water production and distribution systems and 5 to 10 years for equipment. Depreciation expense for the year was \$39,081.

E. DEPOSITS IN FINANCIAL INSTITUTIONS

At December 31, 2012, the water system had cash in checking accounts totaling \$83,818. Cash (bank balances) at December 31, 2012 were fully secured by FDIC insurance.

F. INTEREST COSTS

The following provides disclosure on interest costs for the year ended December 31, 2012:

Total interest cost expensed	\$7,811
Total interest cost capitalized	<u>NONE</u>
Total interest costs incurred	<u>\$7,811</u>

G. FUNCTIONAL ALLOCATION OF EXPENSES

Indian Village Water System, Inc.'s only activity is to provide water service to its members. All costs incurred by Indian Village Water System, Inc., are incurred for the purpose of providing water service, therefore, it is not feasible to allocate expenses between program services and support services.

2. RECEIVABLES

Receivables at December 31, 2012 consist of the following:

Water sales	\$15,526
Less - allowance for uncollectible accounts	<u>NONE</u>
Net	<u>\$15,526</u>

See accountant's compilation report.

INDIAN VILLAGE WATER SYSTEM, INC
 Calhoun, Louisiana
 Notes to the Financial Statements (Continued)

3. FIXED ASSETS

A summary of fixed assets at December 31, 2012 follows

Production and distribution system	\$1,244,040
Vehicles and equipment	<u>66,036</u>
	1,310,076
Less accumulated depreciation	<u>(525,463)</u>
Net	<u><u>\$784,613</u></u>

4. LOANS PAYABLE

At December 31, 2012, there is a total of \$170,201 remaining on the principal balances of two loans. The original amounts of the loans totaled \$200,000. The loans are secured by mortgages of certain properties owned by the water system that are described within the related instruments of mortgage and the pledge of revenues. Proceeds from the loans were used to fund the construction and acquisition of the water system's fixed assets.

The following is a summary of loans payable transactions for the year ended December 31, 2012

Loans payable at January 1	\$201,980
Additions	NONE
Reductions	<u>(31,779)</u>
Loans payable at December 31	<u><u>\$170,201</u></u>

Loans payable at December 31, 2012 are comprised of the following individual loans

2010 \$100,000 Promissory Note due in monthly installments of \$1,036 through September 2020, interest at 4.50 percent	\$81,227
2011 \$100,000 Promissory Note due in monthly installments of \$1,105 through September 2021; interest at 5.90 percent	<u>88,974</u>
Total	<u><u>\$170,201</u></u>

See accountant's compilation report

INDIAN VILLAGE WATER SYSTEM, INC
Calhoun, Louisiana
Notes to the Financial Statements (Continued)

5. LITIGATION AND CLAIMS

At December 31, 2012, the water system is not involved in any litigation or nor aware of any unasserted claims

6. INCOME TAX STATUS

Indian Village Water System, Inc , is as an organization exempt from federal income taxes under Section 501 (c) (12) of the Internal Revenue Code Accordingly, no provision for income taxes has been made in the accompanying financial statements

See accountant's compilation report.

AFFIDAVIT AND REVENUE CERTIFICATION

INDIAN VILLAGE WATER SYSTEM, INC
Ouachita Parish
Calhoun, Louisiana

RECEIVED
LEGISLATIVE AUDITOR
2013 MAR 11 AM 9:47

**ANNUAL SWORN FINANCIAL STATEMENTS
AND CERTIFICATION OF REVENUES \$50,000 OR LESS**

The annual sworn financial statements are required by Louisiana Revised Statute 24 514 to be filed with the Legislative Auditor within 90 days after the close of the fiscal year. The certification of revenues \$50,000 or less, if applicable, is required by Louisiana Revised Statute 24 513(I)(3)

Personally came and appeared before the undersigned authority, LaDonna Matheny, who, duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Indian Village Water System, Inc, as of December 31, 2012, and the results of operations for the year then ended, in accordance with basis of accounting described within the accompanying financial statements

In addition, LaDonna Matheny, who, duly sworn, deposes and says that the Indian Village Water System received \$50,000 or less in state and local financial assistance for the year ended December 31, 2012, and accordingly, is not required to have an audit for the previously mentioned year

La Donna Matheny
Signature

Sworn to and subscribed before me, this 7 day of March 2013

B. Smith 58303
NOTARY PUBLIC

936
LA 939

Officer LaDonna Matheny, System Manager
Address PO Box 35
 Calhoun, Louisiana 71225
Telephone (318) 644-5453